



# DEFENSE FINANCE AND ACCOUNTING SERVICE

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DFAS-HQ/FMM

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE  
- CLEVELAND CENTER  
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE  
- DENVER CENTER

SUBJECT: Update to the Department of Defense Financial  
Management Regulation (DoDFMR), Volume 7, Part B,  
for Retired Grade-Commissioned Officers (DFAS Item F-87)

This is an Interim Change Number R7 - 97 to the DoDFMR,  
Volume 7B. This change is effective immediately.

We have evaluated your comments on the draft change to the  
DoDFMR, Volume 7B. The attached final version of the change  
includes your comments where appropriate. Assignment of an  
interim change number is your authority to initiate a procedural  
modification to facilitate this change.

We have determined that this policy change does not require  
a change to the current pay system. For the Denver Center, use  
the attached to initiate the formal printed change to the DoDFMR.

Our point of contact, Mr. Fiti Malufau may be contacted at  
DSN 327-5061 or Commercial (703) 607-5061. Our Fax number is  
DSN 332-5271 or Commercial (703) 602-5271.

Roger W. Searce  
Brigadier General, USA  
Deputy Director for Finance

Attachment:  
As stated

cc: ASD (FMP)  
DGC (F)  
DFAS-DE/DG  
DFAS-IN  
DFAS-KC/FSP  
Service Liaisons  
USCG/NOAA PHS Liaisons

1. Paragraph 10141, revise to read:

**"10141. General Determination**

a. Unless entitled to a higher grade under some other provision of law, Regular and Reserve members, who retire other than for disability, retire in the Regular or Reserve grade they hold on the date of retirement.

b. A commissioned officer of the Army, Navy, Air Force, or Marine Corps who voluntarily retires in a grade above major or lieutenant commander must serve on active duty in that grade for not less than 3 years. The President may waive this requirement in cases of hardship or exceptional or unusual circumstances. The Secretary concerned may reduce the service-in-grade requirement to 2 years during the period 1 Oct 1990-30 Sep 1999.

c. An officer who does not meet the service-in-grade requirement retires in the next lower grade in which member served on active duty satisfactorily for at least six months.

d. Grades 0-9 and 0-10:

(1) An officer in the grade of general or admiral or lieutenant general or vice admiral may retire in that grade, if the Secretary of Defense certifies, in writing, to the President and Congress that the officer served on active duty satisfactorily in that grade.

(2) The 3-year service-in-grade requirement cannot be reduced or waived if the officer is under investigation for alleged misconduct or if an adverse personnel action is pending against the officer for alleged misconduct.

e. Reserve Officers:

(1) Unless entitled to a higher grade, or to credit for satisfactory service in a higher grade, under some other provision of law, a person who becomes entitled to a Non-Regular Service Reserve Retirement shall, upon application, receives credit for satisfactory service in the highest grade held in the Armed Forces, as determined by the Secretary concerned.

(2) To receive credit for satisfactory service in a grade below lieutenant colonel or commander, other than a warrant officer grade, a person must serve satisfactorily in that grade, as determined by the Secretary concerned, as a Reserve commissioned officer in an active status, or in a retired status on active duty, for at least six months.

(3) To receive credit for satisfactory service in a grade above major or lieutenant commander, a person must serve satisfactorily in that grade, as determined by the Secretary concerned, as a reserve commissioned officer in an active status, or in a retired status on active duty, for at least 3 years.

(a) A person who completes at least six months of satisfactory service in grade, upon transfer from an active status or upon discharge as a reserve commissioned officer for mandatory age or years of service, receives credit for satisfactory service in the grade in which serving at time of transfer or discharge in that grade.

(b) If the person completes at least six months of satisfactory service in grade while serving as adjutant general under 32 U.S.C. 314 or as assistant adjutant general to such adjutant general and the person is unable to complete 3 years service in such grade because the appointment is terminated or vacated under 32 U.S.C. 324(b), then the person may be credited with satisfactory service in that grade.

(c) To the extent allowed by the Secretary concerned, a person who, after having been recommended for promotion in a report of a promotion board but before being promoted to the recommended grade, serves in a position for which that grade is the minimum authorized grade may receive credit for having served in that grade for the period for which the person served in that position while in the next lower grade. The period of service credit may not include any period before the date the Senate provides advice and consent for the appointment in the recommended grade.

(d) To the extent authorized by the Secretary concerned, a person who is extended temporary Federal recognition as a Reserve officer in the Army or Air National Guard in a particular grade and serves in that grade which is the minimum authorized grade, receives credit for service-in-grade during the period of temporary Federal recognition, if the person is later extended permanent Federal recognition as a Reserve officer in that grade and the person also serves in that grade after permanent Federal recognition.

(4) A person whose length of service in the highest grade held does not meet service-in-grade requirements specified in subparagraph 10141e receives credit for satisfactory service in the next lower grade in which the person serves satisfactorily, as determined by the Secretary concerned, for at least 6 months.

f. Unless entitled to a higher grade under some other provision of law, members of the Armed Forces who retire for disability are entitled to the highest of:

(1) The grade or rank in which serving when placed on the Temporary Disability Retired List or if not carried on that list, on date of retirement.

(2) The highest grade or rank in which member satisfactorily serves.

(3) The permanent regular or Reserve grade to which the member would have been promoted had it not been for the disability for which member is retired that was found upon physical examination.

(4) The temporary grade to which member would have been promoted had it not been for the disability for which member is retired, if eligibility for that promotion was required based on the cumulative years of service or years of service in grade, and the disability is found upon physical examination."

2. Change subparagraphs 10321d and e to read:

"d. See paragraph 10343a for provision concerning an officer who served in a special position as Chairman or Vice Chairman of the Joint Chiefs of Staff or as a Chief of Service.

e. See paragraph 10344 for provision concerning an enlisted member who served in a special position as a senior enlisted member."

3. Change paragraph 10343a to read:

"a. An officer who serves as Chairman or Vice Chairman of the Joint Chiefs of Staff or as a Chief of Service may receive retired pay which is computed on the highest rate of basic pay applicable to the member while serving in the special position, if that rate is higher than the rate otherwise authorized as a retired pay base for a member who first became a member before 8 Sep 1980. A Chief of Service means:

- (1) Chief of Staff of the Army;
- (2) Chief of Naval Operations;
- (3) Chief of Staff of the Air Force;
- (4) Commandant of the Marine Corps; and
- (5) Commandant of the Coast Guard."

4. Change paragraph 10344 to read:

"A senior enlisted member of an Armed Force serving in a special position may receive retired pay which is computed on the highest rate of basic pay applicable to the member while serving in the special position, if that rate is higher than the rate otherwise authorized as a retired pay base for a member who first became a member before 8 Sep 1980. A senior enlisted member is:

- (1) Sergeant Major of the Army;
- (2) Master Chief Petty Officer of the Navy;
- (3) Chief Master Sergeant of the Air Force;
- (4) Sergeant Major of the Marine Corps; and
- (5) Master Chief Petty Officer of the Coast Guard."

5. Change the bibliography for Part One to read:

Paragraph	Citation
(Change) "10141a	10 U.S.C. 3961(b) 10 U.S.C. 8961(b)
(Change) 10141b	10 U.S.C. 1370(a)(2) Pub. Law 96-513, Sec. 629, 12 Dec 1980
(Delete) 10141b(4)	10 U.S.C. 1372 40 Comp Gen 240
(Add) 10141c	10 U.S.C. 1370(b)
(Add) 10141d	10 U.S.C. 1370(c)
(Add) 10141e	10 U.S.C. 1370(d)
(Add) 10141f	10 U.S.C. 1372 40 Comp. Gen. 240
(Add) 10141f(3)	Pub. Law 104-201, Sec. 577 Sep 23, 1996
(Add) 10141f(4)	Pub. Law 104-201, Sec 577 Sep 23, 1996
(Change) 10142a	10 U.S.C. 1370(c)
(Add) 10142a(1)-(4)	10 U.S.C. 1406(i)
(Add) 10142a(5)	10 U.S.C. 601
(Add) 10142a(7)	10 U.S.C. 601
(Change) 10142a(9)	10 U.S.C. 1406(i)
(Add) 10142a(11)	10 U.S.C. 601
(Change) 10343a	10 U.S.C. 1406(i) 10 U.S.C. 601(b)(4) 10 U.S.C. 3991, 6333, 8991
(Change) 10344	10 U.S.C. 1406(i) 37 U.S.C. 210(a) 10 U.S.C. 3991, 6333, 8991"